

**AGENCY BILL ANALYSIS - 2026 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, UPLOAD ANALYSIS TO**  
**[AgencyAnalysis.nmlegis.gov](mailto:AgencyAnalysis.nmlegis.gov) and email to [billanalysis@dfa.nm.gov](mailto:billanalysis@dfa.nm.gov)**  
*(Analysis must be uploaded as a PDF)*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

**Date Prepared:** 1/16/26 **Check all that apply:**  
**Bill Number:** HB 40 **Original**  **Correction**    
**Amendment**   **Substitute**  

**Sponsor:** Representative Borrego **Agency Name**  
**Short Title:** TEMPORARY ERB MEMBER PAYMENT **and Code Number:** 366-PERA  
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**SECTION II: FISCAL IMPACT****APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY26	FY27		
		\$65,500.00	

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY26	FY27	FY28		

(Parenthesis ( ) indicate revenue decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	FY26	FY27	FY28	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

### **SECTION III: NARRATIVE**

#### **BILL SUMMARY**

##### Synopsis:

Effective July 1, 2026, HB 40 will amend section 22-11-31 NMSA 1978 related to cost-of-living adjustments for certain ERB retirees as follows:

- Qualified pension recipients shall receive an annual, non-compounding, additional payment;
- The additional payment shall be determined by multiplying the amount of annual pension payments, inclusive of all cost-of-living adjustments prior to that fiscal year, by two percent; and,
- The non-compounding annual additional payment will be for the fiscal years 2027 and 2028.

The payments provided by HB 40 will be in addition to the compounding cost-of-living adjustments provided by existing law.

#### **FISCAL IMPLICATIONS**

HB 40 should not have an impact to PERA's operating budget.

#### **SIGNIFICANT ISSUES**

None.

#### **PERFORMANCE IMPLICATIONS**

HB 40 will not affect PERA's performance measures.

#### **ADMINISTRATIVE IMPLICATIONS**

None.

#### **CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP**

None.

#### **TECHNICAL ISSUES**

None.

#### **OTHER SUBSTANTIVE ISSUES**

None.

**ALTERNATIVES**

None.

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

None.

**AMENDMENTS**

None.